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is that Americans, on account of their self-seeking disposition, are unwilling to perform their duty as taxpayers. Fundamentally the situation is the same as in German imperial finance, although Professor Cohn has not such a low opinion of his countrymen as he entertains of Americans.

Much of Professor Cohn's criticism of American plans of tax reform is sound, and these plans are gradually undergoing change. The situation, however, is not as dark as the distinguished critic supposes. Changes in administrative methods have improved conditions materially within a decade. Changes in methods of taxing personal property give at least some hope for the future. And finally Wisconsin's experience with the income tax is going to require a revision of our notions and Professor Cohn's notions about the American taxpayer.

CHARLES J. BULLOCK.

Harvard University.

Sources of Municipal Revenue in Illinois. By LENT DAYTON UPSON. (Urbana-Champaign: The University of Illinois. 1912. Pp. 126. \$.75.)

Taxation of Corporations in Illinois, other than Railroads, since 1872. By JOEL ROSCOE MOORE. (Urbana-Champaign: The University of Illinois. 1913. Pp. 110. \$.55.)

Illinois is one of the states which has had no share in the movement for reform of the system of state and local taxation which has been so marked within the last few years. It is still living under a revenue law which has undergone no substantial change for more than forty years, and which has been administered in a notoriously inefficient manner. These two studies have evidently been prepared with a view to contributing to the reform of the existing system. Mr. Upson deals with the revenue systems of twenty-four cities, the largest, East St. Louis, having a population of 58,547, and the smallest, Urbana, 8,245. The majority of these cities publish no annual financial statement and "no printed report gave a complete statement for a single city." The study discloses no special features of municipal finance which differentiates the cities of Illinois from cities in other states. Revenue is derived from the general property tax supplemented by licenses, among which liquor licenses are the most important, and other minor sources of revenue. These minor sources of revenue as well as the financial aspects of public waterworks and electric plants and also municipal indebtedness are treated in considerable detail.

Mr. Moore furnishes an historical sketch of the methods employed in Illinois for the taxation of corporations in general, and of the special methods applied to banks and insurance companies.

Illinois has developed no system of taxation of corporations as a source of state revenue. It derives a considerable revenue from fees paid by corporations on the occasion of obtaining their charters and increasing their capital stock, as well as from taxes and charges, in the nature of fees, levied upon insurance companies, the most productive of which are, apparently, the "reciprocal" (more accurately, retaliatory) taxes levied on insurance companies incorporated in other states.

Under the revenue law of 1872 corporations with Illinois charters were, generally speaking, taxable locally on the full value of their property as represented by their stocks and bonds, and the securities in the hands of their holders were exempt. The tangible property of such corporations was assessed where situated by the local authorities. The "corporate excess," *i.e.*, the excess of the value of the securities over the tangible property assessed locally, was determined by the state board of equalization and the amount returned to the authorities of the locality in which the corporation was situated to be taxed by them. From time to time the corporate excess of corporations engaged in manufacturing and mercantile business, in printing, publishing newspapers, mining and selling coal, stock breeding, and building and loan associations was exempted from assessment by the board and practically from all assessment, although the courts decided later that such exemption simply transferred to the local authorities the duty of assessing such corporate excess. As a result of these changes, assessment by the board is practically confined to public service corporations in Cook County.

Leaving out of account railroads, which are assessed under special provisions of the law and are not considered by Mr. Moore, the assessments of such companies amounted in 1909 to \$30,903,341 out of a total assessment of \$34,404,441. In considering these figures it should be noted that property in Illinois is legally assessed at one third (prior to 1909 at one fifth) of its cash value.

Such studies furnish a welcome addition to our fund of information concerning existing tax systems. Both would, however, have been improved by greater attention to style and clearness of exposition.

The reviewer, at least, has been unable to get a clear idea of

just the extent of the powers of municipalities in matters of taxation or of just the scope of the term "general" as applied to property taxes in tables 1, 30, and 31 of Mr. Upson's study. A comparison between the tables makes it clear that it does not include the tax for school purposes; but does it include the taxes for other purposes mentioned on page 13? In table 1, which apparently refers to all property taxes, the percentages in the first column are calculated on the basis of the tax for general purposes only.

Errors due to carelessness are also evident; for example, in table 2 of Mr. Upson's study the total for Alton is not the correct sum of the separate items. In Mr. Moore's study there are either misprints or errors of arithmetic on pages 61 and 92. The reference at the bottom of page 60 to the report of the Bureau of Labor Statistics in 1894 should be to page 40 instead of page 32, and the year mentioned at the top of page 61 should be 1894 instead of 1893.

HENRY B. GARDNER.

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